

IOWA PROFESSIONAL FIRE FIGHTERS

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LEGISLATIVE INTERIM COMMITTEE ON PUBLIC EMPLOYEE PENSIONS

CHAPTER 411-MUNICIPAL FIRE & POLICE RETIREMENT SYSTEM

The Iowa Professional Fire Fighters Association (IPFF) represents career fire fighters and professional emergency medical personnel (EMS) throughout the State of Iowa.

1. Contribution Rates—Employee/Employer

- Maintain current contribution levels for employees & employers
- 17% minimum for the Cities
- 9.35% for the fire fighter & police members
- 411 system is a “self contained” system which includes workers compensation and therefore the Cities do not pay extra for workers compensation coverage
- Cities retained all the excess funds in 1992 when the statewide system was established which amounted to approximately \$80 million dollars
- Fire fighters & police officers under Chapter 411 are not covered by Social Security and therefore the Cities do not have to pay Social Security tax on 411 members
- Cities contribution rate for Chapter 411 is a tremendous bargain when you consider the cost of workers compensation being included and the fact that they do not pay Social Security cost (see below)

Example:	Cities current contribution rate:	19.00 %
	Subtract for estimated work comp rate:	-13.00 %
	Net:	6.00 %
	Savings for non Social Security:	(6.20 %)

2. Increase Regular Pension

- Increase pension base from 66% to 74%
- Without additional cost to the members
- Would increase pensions to 74% to 90% maximum
- 74% to 90% pension minus health insurance premium is low* (see example below)
- Appears the MFPRS will need a catch up year to reduce the Cities rate to 17% and maintain a margin above 100% for the system. We would ask that the legislature consider this enhancement to take effect in late 2008 or January 2009 when the funding is available to do so based on the MFPRS actuarial report.

*Example: Using a \$50,000 average salary at retirement

Estimating \$1,000 a month for family health insurance cost

{Note: \$12,000 a year does not include co-payment, out of pocket, prescriptions}

$\$50,000 \times 74\% = \$37,000 \text{ minus } \$12,000 = \$25,000 \text{ net pension}$

$\$50,000 \times 90\% = \$45,000 \text{ minus } \$12,000 = \$33,000 \text{ net pension}$

{health insurance cost equals: 26% to 32% of annual pension income}

3. Add Cancer/Infectious Disease

- Add Certain Cancers / Infectious Disease to presumption
- Without additional cost to the members
- Previous study shows that the cost is only about .5% (1/2 of 1%)
- Research shows that many Cancers are incurred by Fire Fighters in the line of duty
- Because to the hazardous job conditions of fire fighters and EMS personnel they several times more likely to acquire an infectious disease or cancer

4. [Employees – doctors' choice](#)

- Cities have never had doctor's choice under Chapter 411
- Many Cities impose doctor's choice on Fire Fighters
- No guidelines in place and no procedures for doctor's choice
- Fire Fighters receive poor treatments under certain City doctors
- Clarify that the Cities do not have doctor's choice under Chapter 411

5. [Enforce Heart & Lung Presumption](#)

- Some Cities are not abiding by the Heart & Lung presumption in Chapter 411
- Some Cities make the employee file the cost with their health insurance
- Some Cities require the employee to "prove" it occurred on the job which is contrary to current law
- Need a strong penalty for Cities that are violating this portion of the law

6. [Adjust PSOB benefit pay](#)

- Adjust the cost of the PSOB benefit from the MFPRS to the General Fund

We want to thank the members of the Public Retirement interim committee and the Iowa Legislature for consideration of these items and your leadership in making our retirement system better and stronger in providing a reasonable retirement for the dedicated Municipal Fire & Police Retirement System Fire Fighters & Police Officers.

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